

ASSEMBLY BILL

No. 655

Introduced by Assembly Member Leno

February 17, 2005

An act to add Chapter 9.7 (commencing with Section 8780) to Division 1 of Title 2 of the Government Code, relating to the California Arts Council Fund, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 655, as introduced, Leno. Admissions surcharge: California Arts Council.

Existing law imposes various taxes that are administered by the State Board of Equalization.

This bill would require that a surcharge of 1% of the price of admission be imposed upon each patron of an entertainment venue for the privilege of admission into an entertainment venue, as defined. The bill would require that this surcharge be collected by the entertainment venue and remitted to the State Board of Equalization on a quarterly basis. The bill would establish the California Arts Council Fund, a continuously appropriated fund, and would require the State Board of Equalization to transmit the payments it receives from these surcharges to the Treasurer for deposit into this fund. The purposes of the fund would be to pay the board's cost of implementing and administering this fee, and to fund and support the California Arts Council and its duties.

This bill would result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 9.7 (commencing with Section 8780) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER

9.7. ADMISSION SURCHARGE FOR ENTERTAINMENT VENUES

8780. (a) There is imposed upon each patron of an entertainment venue a surcharge at the rate of 1 percent of the price of admission for the privilege of admission into the entertainment venue.

(b) The surcharge imposed by this section shall be administered by the State Board of Equalization.

(c) (1) "Entertainment venue" for the purposes of this chapter means all forms of entertainment, except as specified in paragraphs (2) and (3), and shall include, but not be limited to, live productions at theaters, motion picture theaters, concerts, amusement parks, museums, circuses, carnivals, and exhibitions of art, handicraft, or products.

(2) "Entertainment venue" does not, for the purposes of this chapter, include race tracks or sporting events.

(3) "Entertainment venue" does not, for the purposes of this chapter, include entertainment conducted for the benefit of, or by, any of the following:

(A) A nonprofit charitable or religious organization that is exempt from federal income taxation under paragraph (3) of subdivision (c) of Section 503 of the Internal Revenue Code.

(B) A nonprofit, scientific, or educational organization exempt from state income taxation under Section 23701d of the Revenue and Taxation Code.

(C) A city, county, city and county, or any political subdivision of the state.

8781. All amounts required to be paid to the state under this chapter shall be collected by the organizer or producer of the entertainment venue and paid to the State Board of Equalization in the form of remittances that are payable to the board on a

1 quarterly basis. The remittances for the admission surcharge for
2 entertainment venues shall be separate from the remittance of any
3 other fee.

4 8782. The State Board of Equalization shall transmit the
5 payments it receives pursuant to this chapter to the Treasurer to
6 be deposited to the credit of the California Arts Council Fund.
7 Notwithstanding Section 13340, the California Arts Council
8 Fund, referred to as the “fund” in this chapter, is hereby created
9 as a special fund in the State Treasury and is continuously
10 appropriated, without regard to fiscal years, for the following
11 purposes:

12 (a) To pay for the board’s cost of implementation and
13 administration of this chapter, which cost in any fiscal year may
14 not exceed 10 percent of the total amount of moneys deposited in
15 the fund in that fiscal year.

16 (b) To fund and support the California Arts Council and the
17 duties of the council as identified in Section 8753.

18 8783. The State Board of Equalization and the California Arts
19 Council may adopt regulations necessary to implement this
20 chapter.